(c) whether Government are considering to have the entire process changed to pick *momentum in sugar policy?*

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (c) The Government, while permitting futures trading in sugar recently, decided to select only modern, well organized, professionally managed Exchanges that have 'online' system of trading; efficient clearing, settlement and guarantee systems; transparency in operations and decision-making; reliable effective and impartial management, preferably demutualised form of organization. Complete demutualisation is not one of the criteria laid down, while representation of non-trade interests in the management is stipulated for effective and impartial management. The Government is committed to decontrol the sugar industry in a phased manner with increasing deregulation of sugar sector.

Violation by Sugar Mills in free sale quotas

†2601. SHRI MANOHAR KANT DHYANI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that sugar mills are selling more sugar in the open market than their quota released by Government;

(b) whether Government have given notice of taking legal action against them after identifying such mills;

(c) if so, the results thereof;

(d) the action being taken against the mills which are violating laws frequently, the number of such mills and details thereof; and

(e) the measures being taken so that mills do not behave like this in the future?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) to (d) Yes, Sir. Based on the reports received from various quarters regarding sale of sugar in the open market without valid release orders, the Central Government deputed various officers to verify the position regarding sugar stocks and sale and despatch of sugar by the factories. So far, out of 113 sugar factories, 14 factories were found *prima-facie* violating the release orders and they had been issued show cause notices.

The Government of India, besides adjusting the excess sales made by the factories by way of giving zero or reduced releases in subsequent months to the factories who had violated the release orders is also challenging the court orders either through LPA or through SLPs in appropriate courts. In the case of Pratappur sugar mills, the Delhi High Court has admitted the LPA filed by the Government of India and stayed the

†Original notice of the Question was received in Hindi.

operation of the judgement passed by the Hon'ble Single Bench on 12th April, 2001 for sale of 10000 M.Ts. of sugar in open market. In another case filed in the Patna High Court by Majaulia sugar factory, the Division Bench has stayed the operation of the Order passed by the Single Judge Bench, for sale of 7500 M.Ts of sugar in open market.

(e) In order to curb the tendency of sugar mills to obtain orders from different Courts for sale of additional sugar in open market, the Government of India has requested the Ministry of Law to take up the matter with the Hon'ble Supreme Court to club all the cases filed by different sugar mills and get appropriate direction from the Hon'ble Supreme Court so that the sanctity of the release mechanism is upheld.

Allotment of food items to Kerala for PDS

2602. SHRI V.V. RAGHAVAN:
SHRI J. CHITHARANJAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the quantum of Rice, Wheat, Sugar and Kerosene allotted to Kerala for the years 1998-99, 1999-2000, 2000-2001 and upto 30th June, 2001 for distribution through Public Distribution System; and

(b) the price of these items prevailing during the period from 1998 to 30th June, 2001?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) The allocation of foodgrains, sugar and kerosene made to Kerala during the period 1998-99, 1999-2000, 2000-2001 upto 30 June 2001 under TPDS is as under:

Foodgrains (in 000' tonnes)

Year	Rice	Wheat	Total
1998-1999	1788.840	452.640	2241.480
1999-2000	1743.840	452.640	2196.480
2000-2001	1746.539	452.640	2199.179
April, 2001 to June, 2001	440.664	113.160	553.824